



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SCIENCE BASED TARGETS CASE STUDY: DELL

AN INITIATIVE BY:





Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered “science-based” if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5).

INTRODUCTION

Dell is an American privately owned multinational technology company based in Round Rock, Texas, United States, that offers technology solutions for every person at every age and in every profession. For more than 30 years, Dell has played a critical role in transforming computing, enabling more affordable and more pervasive access to technology around the world. Named after its founder, Michael Dell, the company is one of the largest technological corporations in the world, employing more than 100,000 people worldwide. In 2015, Dell was the third largest PC vendor in the world.

We spoke to Dell's Principal Environmental Strategist, John Pflueger, about the company's journey to setting a science-based target.

WHY DID YOU SET A SCIENCE-BASED TARGET?

Back in 2011 we were reviewing our approach to sustainability and we realised that we had been being more reactive than proactive in terms of what we chose to tackle and why. We decided to change this: to become more proactive, and expand our field of view, with customers at the centre of our decisions.

We had had goals in the past, but they had been in silos, on different time frames, and not related to each other or informed by an underlying framework. We realised that while what happened within our walls was important, our footprint extended up and down our supply chain and we needed to address that.

A decision was made at the highest levels to set long-term sustainability goals for the whole company, which addressed the full implications of what we make and sell, including the energy customers need to use our products. We called this our 2020 Legacy of Good Plan. Grounding the energy target in science made sense because it means we know this is what we have to do to help keep temperatures from rising above 2°C.

WHAT WAS THE PROCESS?

Having taken the decision to set new ambitious targets in 2011, we then spent much of 2012 and 2013 developing them. Setting a goal for our operations, packing and logistics was not so hard: we had had goals in these areas in the past. What was more challenging was looking downstream at how our products were used. We decided to focus on energy as opposed to emissions, on the basis that the former can be a proxy for the latter. Essentially we decided we needed to reduce the energy our products consumed – as the biggest part of our carbon footprint.

THE TARGETS

Dell commits to reduce GHG emissions from their facilities and logistics operations 50% by 2020, using a 2010 base-year.

Dell also commits to reduce the energy intensity of their product portfolio 80% by 2020, using a 2011 base-year.

We started off by working with all the different product sets – including laptops, desktops, servers, networking equipment etc. We asked the same questions and had the same sorts of conversations: what can we realistically achieve in terms of efficiency savings; what technology is coming down the line? We had a lot of help from our Chief Technology Officer.

By October 2013 we had got consensus in the different product groups, had socialised the target and got approval from executives. Later, in 2015, as part of a review of our strategy on climate change, we took what we'd done and presented it to CDP and WWF for approval, to see if our goals met the science-based targets criteria, which they did. So in that sense we kind of 'backed into' an official science-based target.

WHAT ARE THE BENEFITS OF HAVING A SCIENCE-BASED TARGET?

We are seeing increasingly the direct consequences of climate change in the form of more extreme and more regular weather events. It's clear that all businesses have to act, to pull their weight to help tackle this serious long-term challenge.

This is about how we want to be seen as a company, about what it means to be a responsible corporate citizen; it is also what our customers expect from us. By setting science-based targets we are ensuring our own sustainability, as well as supporting the needs of businesses in the future. Our customers need to know we have their back and can help them reduce energy use in the long term.

It has been an extremely useful process to go through: to understand the challenges and the potential technical solutions, to invest in the capability to measure progress. We are learning things that will fundamentally alter our thinking about our products and what we plan for in the future. And of course there are cost savings: if we can reduce the energy our products use we benefit from that.

It also helps us to attract and retain the right staff. Millennials in particular care how responsible a company is and will use that as the basis of a decision around who to work for.

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John Pflueger, Principal Environmental Strategist, Dell

TO WHAT EXTENT HAS THIS DRIVEN INNOVATION IN THE COMPANY?

Engineers love data! Give them the data and they will respond. They can now go in and work out where the biggest energy footprints are in the company. They have a licence to innovate in order to meet the business strategy goals. The fact is if you want to solve a problem, you need to know the scale and nature of the problem you are trying to solve. When you have this information and these insights, then you know what you need to do.

DID YOU ENCOUNTER ANY CHALLENGES?

We were surprised by how material the footprint of our monitors was in comparison to the overall company footprint. We didn't initially think about having to address this. We had to go back and revisit internal assumptions. This was a bit embarrassing, in a way, but ultimately it's a good thing. It's empowering. We would never have challenged these assumptions if we hadn't had the metric and the target to aim for.

Part of the challenge is that customers are demanding increasingly high-quality performance monitors. We had to ask ourselves: 'how do we meet customer demand while continuing to reduce emissions?' Before we had a science-based target these questions would have just been for the water cooler – but now they receive proper attention.

The other potential challenge is that there is a lot of sensitive information and data behind our targets. We need to be careful about this, while balancing the need to communicate the benefits of a target and demonstrate our leadership and innovation in a granular way.

DO YOU ANTICIPATE THIS IMPROVING YOUR RELATIONSHIP WITH REGULATORS OR GOVERNMENT?

I think the American Business Act on Climate Pledge was a real watershed moment. It was a big signal from the Federal government that companies needed to start looking seriously at these issues. The government doesn't just set rules and a culture, but it is also a potential customer. It can indicate its support for low-carbon innovation by purchasing those products, so in that sense, having a science-based target should stand us in good stead





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